



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

*Dr. R. Scott Ralls, President*

June 23, 2009

Dr. Deborah Friedman, President  
Surry Community College  
630 S. Main Street  
Dobson, NC 27017

Dear Dr. Friedman:

Enclosed is the final audit report of findings from the recent audit conducted at Surry Community College pursuant to NC General Statute 115D-5(m). The college response dated May 19, 2009, concurred with these findings. Therefore, there is one exception and one concern noted for the processes, procedures, classes, and programs reviewed.

Thank you for cooperating with the System Office Audit Services staff during the performance of the audit.

Sincerely,

Kennon D. Briggs  
Executive Vice President and Chief of Staff

Enclosure

c: Mr. Gene Rees, Chair, Board of Trustees  
Ms. Hilda Pinnix-Ragland, Chair, State Board of Community Colleges  
Members, State Board of Community Colleges  
Dr. R. Scott Ralls, System President  
Ms. Beth Wood, State Auditor  
Ms. Andrea Poole, Fiscal Analyst  
Mr. Charles Perusse, State Budget Officer  
Community College Presidents  
Mr. Tony Martin, Controller-Chief Financial Officer, Surry Community College  
System Office Vice Presidents

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# **North Carolina Community College System**

## **Audit Findings for Surry Community College Spring Semester 2007 – Spring Semester 2008**

An audit was conducted at Surry Community College by the System Office Audit Services staff on the maintenance of records and the reporting of student membership hours as well as certain college procedures for Spring Semester 2007 through Spring Semester 2008. The audit was conducted to review selected class reports for this period. The college should respond to the preliminary audit report in writing within thirty days of receipt of this report. If points of disagreement exist regarding the preliminary report, the college may request a conference with the Executive Director, Audit Services and/or the Executive Vice President and Chief of Staff to present pertinent information regarding the issue(s) in question. After reviewing all available information, a final audit report will be developed and forwarded to the college. If disagreement exists, the college may appeal the audit findings to the State Board of Community Colleges. This appeal must be submitted in writing within thirty days of receipt of the final audit report. The Board's Policy Committee will hear the appeal and make its recommendation to the State Board.

The scope of the audit included a pre-audit review of selected records pulled from the Institution Class Reports (ICR), programs, policies, and procedures for the period covered by the audit. Based on the pre-audit review, certain class reports were identified for further study. The following audit tests were conducted regarding the ICRs: (1) a statistically valid sample of attendance records and supporting documentation for student membership hour reporting was reviewed; (2) student registration and student receipt information were reviewed for selected programs; (3) college personnel were interviewed regarding student reporting; (4) certain college reporting procedures and practices were reviewed to assure compliance with the North Carolina Administrative Code; (5) selected program classification reviews and class visits were conducted; and (6) the college's accountability and credibility plan was reviewed.

Class visits are conducted on a random basis during the period of review but may be conducted at other times if necessary. If concerns are noted which result from these visits, the college will be notified. Program reviews/class visits conducted for the current fiscal year to date are listed in the Attachment.

Based on the site review, one audit exception and one audit concern were noted and are discussed below.

### **Exception**

During a review of curriculum course offerings and requested documentation, a number of errors were noted which resulted in 1,104 student membership hours incorrectly reported for

budget/FTE. The errors are summarized below:

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (b) "Regularly Scheduled Classes. (2) A student shall be considered to be in class membership when the student meets all of the following criteria:...(B) attended one or more classes prior to or on the 10 percent point in the class; (C) has not withdrawn or dropped the class prior to or on the 10 percent point."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	COM 231 05	Public Speaking	96
Fall 2007	SPA 211 01	Intermediate Spanish	48

Student membership hours were over-reported for budget/FTE due to miscalculation of total students enrolled in the class at the ten percent point.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (f)(2) "Work Experience. (B) These classes shall be specified in the approved curriculum of the college consistent with the applicable curriculum standard..."

Numbered memorandum CC99-235 *Computerized Audit Programs*, states, in pertinent part, "For the last several years, the Education Program Auditors have utilized several computerized audit programs as a part of the annual program audit process. These programs (CC.IA) have been made available to all of the colleges through periodic software releases in order to enhance each college's internal auditing capability... Each college should determine its own internal procedures for the use of this software and for internal access by college personnel. Some programs affect only continuing education, some affect only curriculum, and others affect both program areas. It is highly recommended that colleges run these programs each semester on a regular basis to identify and correct problems before they become audit issues. Typically, colleges who routinely run these reports have a much lower incidence of reporting errors that end up being cited as audit exceptions. When colleges run the reports and make corrections, it is required that a copy of the report and documentation of any resulting adjustments be maintained and available for review during the audit."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	COE 112 01	Co-op Work Experience I	320

One student enrolled in the course when it was not specified in the approved curriculum of the college consistent with the applicable curriculum standard. Additionally, no substitution form was completed.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	COE 122 01	Co-op Work Experience II	320

Two students enrolled in the course when it was not specified in the approved curriculum of the college consistent with the applicable curriculum standard. The cooperative education courses were substituted incorrectly.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	COE 212 01	Co-op Work Experience IV	320

One student enrolled in the course when it was not specified in the approved curriculum of the college consistent with the applicable curriculum standard. The course was also incorrectly substituted for an elective course in the student's program of study.

**Recommendation:** An audit exception is taken to 1,104 student membership hours reported for budget/FTE for students who did not meet reporting criteria outlined in *Title 23 of the North Carolina Administrative Code* and applicable *Numbered Memorandum*. Staff should take the necessary steps to familiarize themselves with the aforementioned references to ensure the appropriate number of student membership hours are reported for budget/FTE.

Staff should review all records reported for student membership hours for budget/FTE since Spring Semester 2008 and make any necessary adjustments.

The classes cited are listed below:

**CURRICULUM**

<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
COM 231 05	Fall 2007	1,392	1,296	96
SPA 211 01	Fall 2007	480	432	48
COE 112 01	Spring 2008	1,101	781	320
COE 122 01	Spring 2008	1,090	770	320
COE 212 01	Spring 2008	320	0	<u>320</u>
<b>Total Hours Excepted:</b>				1,104

In addition, there was one area of concern that merits the college's attention. It is discussed below:

**Concern**

During the review of the Cooperative Education Program and Computer Audit Program Results, specifically Curriculum Cooperative Education (XPAA) Fall Semester 2007, it was noted that there is some confusion and lack of clarity regarding offering co-op classes specified in the approved curriculum of the college consistent with the applicable curriculum standard.

Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (f)(2) "Work Experience. (B) These classes shall be specified in the approved curriculum of the college consistent with the applicable curriculum standard..."

The cooperation of the president and staff during the course of the audit was appreciated.

SUBMITTED BY: Amanda K. Tolar  
Audit Dates: February 23 – March 17, 2009

ATTACHMENT NUMBER ONE

Surry Community College  
Financial Adjustment  
FY 2007 - 2008

A total of 1,104 curriculum hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Curriculum \$ Value \$4,872.90

Curriculum

Hours	/ 512 =	Curriculum FTE	Curriculum Value	Sub-Total Reversion
1,104	/ 512 =	2.16	\$4,872.90	\$10,525.46

Total Reversion \$10,525.46

The college should submit Form 104 to the System Office for \$10,525.00 to resolve the exception.

## ATTACHMENT NUMBER TWO

### Surry Community College SUMMARY OF CLASS VISITS FOR FY 2008 – 2009

#### CURRICULUM

<u>Course Prefix and Number</u>	<u>Instructor</u>	<u>Location</u>	<u>Date of Visit</u>	<u>Students Enrolled</u>	<u>Attendance at Time of Visit</u>
COS 112 01	J. Crotts	Main Campus	2/23/09	10	8
HIS 132 EC1	H. Bralley	Main Campus	2/23/09	-	- *1
MAT 271 01	S. Worth	Main Campus	2/23/09	18	<u>15</u>

**Total CURRICULUM Class Visits/Program Reviews to Date:** 3

\*1 – Class was not being held. Staff discussed this issue with the instructor, and it was resolved satisfactorily.

#### CONTINUING EDUCATION

<u>Course Prefix and Number</u>	<u>Instructor</u>	<u>Location</u>	<u>Date of Visit</u>	<u>Students Enrolled</u>	<u>Attendance at Time of Visit</u>
AUT 3001	S. Hall	Yadkin Ctr.	2/23/09	18	18
BSP 2000	V. Laursen	Pilot Mtn. Outreach	2/23/09	13	3
BSP 2000	R. Holland	Workforce Dev. Ctr.	2/23/09	149	26
CAB 3100	R. High	Workforce Dev. Ctr.	2/23/09	8	8
CAR 3124	L. Templeton	Dobson Corr. Inst.	2/23/09	12	11
CAS 3120	E. Frye	Dobson Corr. Inst.	2/23/09	10	9
CJC 3938	L. Osborne	Main Campus	2/23/09	24	23
HRD 3005	D. Glass	Workforce Dev. Ctr.	2/23/09	11	8
NUR 3240	B. White	Main Campus	2/23/09	25	23
TRA 3607	D. Wood	Yadkin Ctr.	2/23/09	8	<u>8</u>

**Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:** 10